

AMENDED IN SENATE APRIL 13, 2015

**SENATE BILL**

**No. 315**

---

**Introduced by Senators Monning and Hernandez**

February 23, 2015

---

An act to amend Section 15438.10 of the Government Code, relating to health care, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 315, as amended, Monning. Health care access demonstration project grants.

Existing law establishes a program for the California Health Facilities Authority to award grants that do not exceed \$1,500,000 to one or more projects designed to demonstrate specified new or enhanced cost-effective methods of delivering quality health care services to improve access to quality health care for vulnerable populations or communities, or both, that are effective at enhancing health outcomes and improving access to quality health care and preventive services. *Existing law requires a recipient of that grant to adhere to all applicable laws relating to scope of practice, licensure, staffing, and building codes.* Existing law authorizes the authority, if a demonstration project receiving a grant is successful at developing such a new method of delivering high-quality and cost-effective health care services, to implement a 2nd grant program, as specified, to replicate in additional California communities the model developed by that demonstration project. Existing law requires the authority to prepare and provide a report to the Legislature and the Governor on the outcomes of the demonstration grant program that includes, among other information, the total amount of grants issued and the amount of each grant issued.

This bill would create the California Health Access Model Program Two Account within the California Health Facilities Financing Authority Fund for purposes of administering a 2nd competitive grant selection process, in accordance with existing grant provisions, to fund one or more projects designed to demonstrate specified new or enhanced cost-effective methods of delivering quality health care services to improve access to quality health care for vulnerable populations or communities, or both. The bill would transfer up to \$6,500,000 from the California Health Facilities Financing Authority Hospital Equipment Loan Program Fund to the account for the purposes of the bill, and would require that any moneys remaining in the account as of January 1, 2023, revert to California Health Facilities Financing Authority Hospital Equipment Loan Program Fund. By expanding the purposes for which a continuously appropriated fund may be used, this bill would make an appropriation.

The bill would also require the authority to prepare and provide a report to the Legislature and the Governor by January 1, 2017, on the outcomes of this 2nd competitive grant selection process, as specified.

*This bill would also make the existing requirement for adherence to all applicable laws relating to scope of practice, licensure, staffing, and building to codes applicable to a recipient of a grant provided pursuant to the 2nd grant program described above.*

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 15438.10 of the Government Code is  
2     amended to read:  
3     15438.10. (a) The Legislature finds and declares the following:  
4     (1) Many Californians face serious obstacles in obtaining needed  
5     health care services, including, but not limited to, medical, mental  
6     health, dental, and preventive services. The obstacles faced by  
7     vulnerable populations and communities include existence of  
8     complex medical, physical, or social conditions, disabilities,  
9     economic disadvantage, and living in remote or underserved areas  
10    that make it difficult to access services.  
11    (2) With the recent passage of national health care reform, there  
12    is an increased demand for innovative ways to deliver quality

1 health care, including preventive services, to individuals in a  
2 cost-effective manner.

3 (3) There is a need to develop new methods of delivering health  
4 services utilizing innovative models that can be demonstrated to  
5 be effective and then replicated throughout California and that  
6 bring community-based health care preventive services to  
7 individuals where they live or receive education, social, or general  
8 health services.

9 (4) For more than 30 years, the California Health Facilities  
10 Financing Authority has provided financial assistance through  
11 tax-exempt bonds, low-interest loans, and grants to health facilities  
12 in California, assisting in the expansion of the availability of health  
13 services and health care facilities throughout the state.

14 (b) (1) Following the completion of a competitive selection  
15 process, the authority may award one or more grants that, in the  
16 aggregate, do not exceed one million five hundred thousand dollars  
17 (\$1,500,000) to one or more projects designed to demonstrate  
18 specified new or enhanced cost-effective methods of delivering  
19 quality health care services to improve access to quality health  
20 care for vulnerable populations or communities, or both, that are  
21 effective at enhancing health outcomes and improving access to  
22 quality health care and preventive services. These health care  
23 services may include, but are not limited to, medical, mental health,  
24 or dental services for the diagnosis, care, prevention, and treatment  
25 of human illness, or individuals with physical, mental, or  
26 developmental disabilities. More than one demonstration project  
27 may receive a grant pursuant to this section. It is the intent of the  
28 Legislature for a demonstration project that receives a grant to  
29 allow patients to receive screenings, diagnosis, or treatment in  
30 community settings, including, but not limited to, school-based  
31 health centers, adult day care centers, and residential care facilities  
32 for the elderly, or for individuals with mental illness or  
33 developmental disabilities.

34 (2) A grant awarded pursuant to this subdivision may be  
35 allocated in increments to a demonstration project over multiple  
36 years to ensure the demonstration project's ability to complete its  
37 work, as determined by the authority. Prior to the initial allocation  
38 of funds pursuant to this subdivision, the administrators of the  
39 demonstration project shall provide evidence that the demonstration  
40 project has or will have additional funds sufficient to ensure

1 completion of the demonstration project. If the authority allocates  
2 a grant in increments, each subsequent year's allocation shall be  
3 provided to the demonstration project only upon submission of  
4 research that shows that the project is progressing toward the  
5 identification of a high-quality and cost-effective delivery model  
6 that improves health outcomes and access to quality health care  
7 and preventive services for vulnerable populations or communities,  
8 and can be replicated throughout the state in community settings.

9 (3) Except for a health facility that qualifies as a "small and  
10 rural hospital" pursuant to Section 124840 of the Health and Safety  
11 Code, a health facility that has received tax-exempt bond financing  
12 from the authority shall not be eligible to receive funds awarded  
13 for a demonstration project. Such a health facility may participate  
14 as an uncompensated partner or member of a collaborative effort  
15 that is awarded a demonstration project grant. A health facility  
16 that participates in a demonstration project that receives funds  
17 pursuant to this section may not claim the funding provided by the  
18 authority toward meeting its community benefit and charity care  
19 obligations.

20 (4) Funds provided to a demonstration project pursuant to this  
21 subdivision may be used to supplement, but not to supplant,  
22 existing financial and resource commitments of the grantee or  
23 grantees or any other member of a collaborative effort that has  
24 been awarded a demonstration project grant.

25 (c) (1) If a demonstration project that receives a grant pursuant  
26 to subdivision (b) is successful at developing a new method of  
27 delivering high-quality and cost-effective health care services in  
28 community settings that result in increased access to quality health  
29 care and preventive services or improved health care outcomes for  
30 vulnerable populations or communities, or both, then beginning  
31 as early as the second year after the initial allocation of moneys  
32 provided pursuant to subdivision (b), the authority may implement  
33 a second grant program that awards not more than five million  
34 dollars (\$5,000,000), in the aggregate, to eligible recipients as  
35 defined by the authority, to replicate in additional California  
36 communities the model developed by a demonstration project that  
37 received a grant pursuant to subdivision (b). Prior to the  
38 implementation of this second grant program, the authority shall  
39 prepare and provide a report to the Legislature and the Governor

1 on the outcomes of the demonstration project. The report shall be  
2 made in accordance with Section 9795.

3 (2) If the authority implements the second grant program, the  
4 authority shall also report annually, beginning with the first year  
5 of implementation of the second grant program, to the Legislature  
6 and the Governor regarding the program, including, but not limited  
7 to, the total amount of grants issued pursuant to this subdivision,  
8 the amount of each grant issued, and a description of each project  
9 awarded funding for replication of the model.

10 (3) Grants under this subdivision may be utilized for eligible  
11 costs, as defined in subdivision (c) of Section 15432, including  
12 equipment, information technology, and working capital, as defined  
13 in subdivision (h) of Section 15432.

14 (4) The authority may adopt regulations relating to the grant  
15 program authorized pursuant to this subdivision, including  
16 regulations that define eligible recipients, eligible costs, and  
17 minimum and maximum grant amounts.

18 (d) (1) The authority shall prepare and provide a report to the  
19 Legislature and the Governor by January 1, 2014, on the outcomes  
20 of the demonstration grant program, including, but not limited to,  
21 the following:

22 (A) The total amount of grants issued.

23 (B) The amount of each grant issued.

24 (C) A description of other sources of funding for each project.

25 (D) A description of each project awarded funding.

26 (E) A description of project outcomes that demonstrate  
27 cost-effective delivery of health care services in community  
28 settings, that result in improved access to quality health care or  
29 improved health care outcomes.

30 (2) The authority shall prepare and provide a report to the  
31 Legislature and the Governor by January 1, 2017, on the outcomes  
32 of the second competitive grant selection process authorized in  
33 subdivision (g), including, but not limited to, the information  
34 specified in subparagraphs (A) to (E), inclusive, of paragraph (1).

35 (3) A report submitted pursuant to this subdivision shall be  
36 submitted in compliance with Section 9795.

37 (e) There is hereby created the California Health Access Model  
38 Program Account in the California Health Facilities Financing  
39 Authority Fund. All moneys in the account are hereby continuously  
40 appropriated to the authority for carrying out the purposes of this

1 section. An amount of up to six million five hundred thousand  
2 dollars (\$6,500,000) shall be transferred from funds in the  
3 California Health Facilities Financing Authority Fund that are not  
4 impressed with a trust for other purposes into the California Health  
5 Access Model Program Account for the purpose of issuing grants  
6 pursuant to this section. Any moneys remaining in the California  
7 Health Access Model Program Account on January 1, 2020, shall  
8 revert as of that date to the California Health Facilities Financing  
9 Authority Fund.

10 (f) Any recipient of a grant provided pursuant to ~~subdivision~~  
11 *subdivisions (b) and (c)* shall adhere to all applicable laws relating  
12 to scope of practice, licensure, staffing, and building codes.

13 (g) There is hereby created the California Health Access Model  
14 Program Two Account within the California Health Facilities  
15 Financing Authority Fund for purposes of administering a second  
16 competitive grant selection process, in accordance with  
17 subdivisions (b) and (c), to fund one or more projects designed to  
18 demonstrate specified new or enhanced cost-effective methods of  
19 delivery quality health care services to improve access to quality  
20 health care for vulnerable populations or communities, or both.  
21 An amount of up to six million five hundred thousand dollars  
22 (\$6,500,000) shall be transferred from funds in the California  
23 Health Facilities Financing Authority Hospital Equipment Loan  
24 Program Fund that are not impressed with a trust for other purposes  
25 into the California Health Access Model Program Two Account  
26 for the purpose of administering a second competitive grant  
27 selection process pursuant to this subdivision. Any moneys  
28 remaining in the California Health Access Model Program Two  
29 Account on January 1, 2023, shall revert as of that date to the  
30 California Health Facilities Financing Authority Hospital  
31 Equipment Loan Program Fund.